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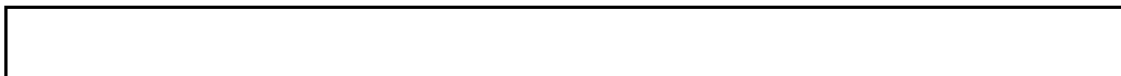


26 September 1961

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CENTRAL INTELLIGENCE BULLETIN



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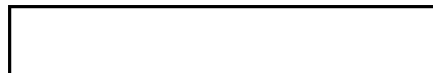
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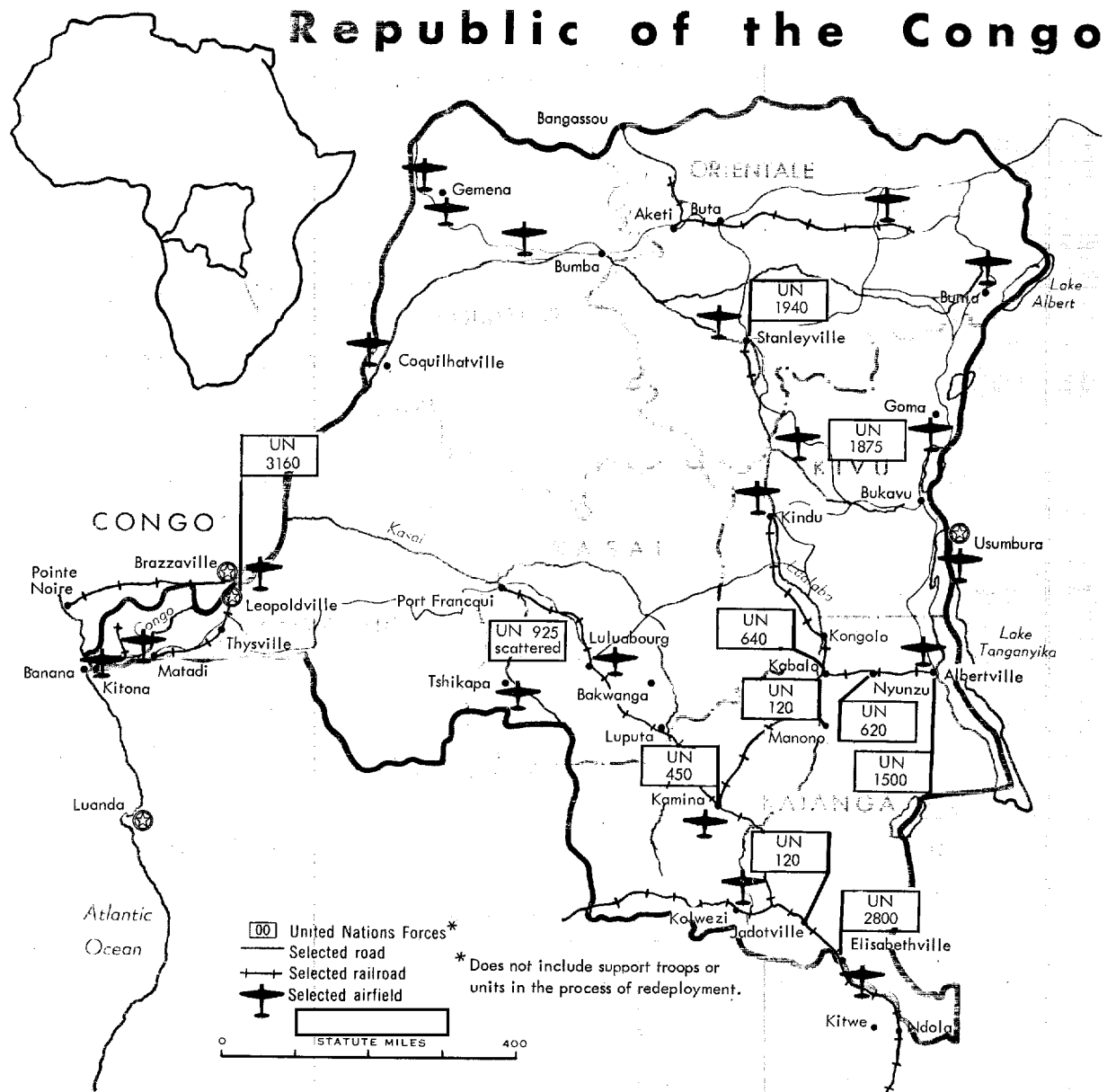
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DAILY BRIEF

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USSR - Warsaw Pact: The announcement on 25 September that troops of the Warsaw Pact countries will conduct exercises in October and November is a logical and consistent development of Moscow's extensive efforts over the past two months to impress the West with the strength and combat readiness of Soviet and bloc forces. These exercises, to be held in the "territory of the Warsaw treaty countries," follow the decision at the meeting of the Warsaw Pact defense ministers on 8-9 September to work out "practical measures" to strengthen the defense of the bloc countries.

Thus far the Warsaw Pact countries have held only rudimentary combined exercises, mostly involving the presence of satellite observers at Soviet maneuvers. This spring, however, elements of the East German Army participated in an exercise with Soviet units in East Germany. Because of the lack of past combined exercises, it is unlikely that any realistic large-scale maneuvers can be accomplished on such short notice.

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Congo: The cease-fire in Katanga continues, although Tshombé has charged the UN with numerous armistice violations, including the reinforcement of UN forces in Katanga with additional armed vehicles. A US Air Force officer in Northern Rhodesia reported on 23 September that a Katangan aircraft had arrived in Ndola to pick up eight Rhodesian, Belgian, and South African mercenaries for service in Katanga. The Congo Army has airlifted 150 soldiers from Leopoldville to Luluabourg, and other troops reportedly are en route to the Luluabourg area by steamer. It appears unlikely, however, that the central government plans an invasion of Katanga at this time.

(Map)

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France-Algeria: The continuing bitterness of European settlers in Algeria is being exploited by the rightist Secret Army Organization (OAS).

another coup attempt is likely unless the OAS leaders are captured soon. The OAS reportedly plans to precipitate massive street demonstrations by European mobs which would overwhelm the security forces. In view of the recent increase in clashes between Europeans and Moslems, such tactics could provoke counterdemonstrations by the Moslems which rebel leaders might be unable or unwilling to control.

Iraq-Oil: Renewed negotiations between Prime Minister Qasim and the British, French, and American-owned Iraq Petroleum Company (IPC) are scheduled to begin on 28 September. The Iraqi Government is demanding 20-percent ownership of IPC, an alteration in the 50-50 profit-sharing principle, and an Iraqi voice in future changes in posted prices. Surrender by the company of about 90 percent of its concession area, which now covers most of Iraq, is also demanded. IPC appears willing to accommodate Iraq on the last point but probably will not compromise on the first three. If IPC does not compromise on these three issues, Qasim, who is angry with Britain for frustrating his designs on Kuwait and who has publicly accused Britain and the United States of stirring up trouble among Iraqi Kurds, is more likely now than in previous years to take unilateral action against the company. For some weeks the Iraqi press has been hinting that the government has "legislation" already prepared to compel IPC to meet its demands.

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DAILY BRIEF

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The Situation in the Congo

The tenuous cease-fire in Katanga could break down at any time in view of the personal grievances between UN officials and Tshombé and his European supporters. Either side may come to feel that the armistice serves primarily to benefit its enemy. UN officials have made no attempt to conceal from Tshombé that they plan to have a jet air capability imminently which they expect will neutralize Tshombé's two-jet force.

Morale in Tshombé's forces appears to be generally satisfactory despite the defection on 23 September of four African lieutenants to the UN. The defectors appear to be members of a contingent of junior officers who have posed a disciplinary problem to Tshombé since their return from training in Belgium in August. The US Consulate reports that the character of the white element in Tshombé's army appears to be changing, with the hitherto dominant Belgian element giving way to Rhodesian and rightist French volunteers.

Bloc and radical African diplomats formerly accredited to the Gizenga regime in Stanleyville appear to have met a rebuff in their efforts to transfer operations to Leopoldville without obtaining new accreditation. A Foreign Ministry bulletin of 23 September, which noted the presence in Leopoldville of diplomats from the USSR, Czechoslovakia, Poland, Mali, and the UAR, stated that these countries could install their missions only after having followed "normal diplomatic procedure." [REDACTED]

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Mounting Tension in Algeria

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[redacted] "no longer recognized the country" because of the great change in the Europeans' attitude. [redacted] there is an unbridgeable gap of open hate for metropolitan France, and no chance of reuniting the Algerian French with the metropole. [redacted] since the April coup attempt the French Army has been regarded by the Europeans as an occupying force. Conscripts, whose refusal to support the generals was largely responsible for the failure of the April insurrection, are being openly insulted and ostracized. Some have even been killed by irate Europeans.

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[redacted] the bulk of the European population is probably giving at least tacit support to the Secret Army Organization (OAS), which is committed to keeping Algeria French at all costs. The fact that the leaders of the OAS, ex-General Salan and ex-Colonel Godard, have evaded capture for nearly five months, although they are reported to have been in Algiers, indicates widespread support for the OAS. [redacted] at least 90 percent of the European population would not betray Salan to the French Government.

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[redacted] a showdown battle between the government and the OAS in Algeria is imminent, and they are by no means confident that the government will win. The arrest in Algeria of 225 OAS members on the night of 12-13 September does not appear to have reached the top leaders. One report says that the only elements loyal to the government are the gendarmerie and the Republican Security Companies (CRS). However, the CRS was slow to control Europeans who staged an "Arab hunt" in Algiers on 12 September. Although the officers responsible have

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[reported] been disciplined, this is probably not a guarantee that the CRS would fire on rioting Europeans, especially since two thirds of the CRS troops are said to have been born in Algeria.

Although the OAS has issued tracts "deploring" European attacks on Moslems, its leaders are probably not beyond exploiting the passions of the Europeans in order to produce disorders which would favor their plans. Rebel commandos are again operating in Algiers, which provides an excellent pretext for Europeans to seek vengeance. The US consul general feels that even if the rebel leaders could or would restrain their terrorists, the OAS would consider such action only as a triumph for its own brand of terror.

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[redacted] although no coup attempt is expected in France, one is certain to take place soon in Algeria. The popular acclaim shown De Gaulle on his 21-24 September speaking tour of south-central France, during which he implicitly stigmatized the OAS as a force working against national cohesion, indicates no diminution in his metropolitan public support, which acted as a powerful brake on the spread of the April insurrection to France proper. The army in Algeria was reminded by its commander last week of its duty to maintain order against the OAS as well as rebel terrorists, but its attitude would be uncertain if it were called upon again to fire on a European crowd.

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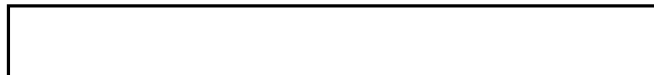
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